



THE LENDER'S ADVANTAGE

A Joint Publication of the Des Moines District Office and the Cedar Rapids Branch Office

JANUARY 2010

INFORMATION

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OR

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*All SBA programs and
services are provided on
a nondiscriminatory basis.*

First Quarter Record and Tools for Small Contractors

Dear Lender:

Congratulations on behalf of Iowa's small businesses. Iowa lenders set a record for SBA financing for the first quarter of the fiscal year with 312 loans for \$92,195,000. To put this in perspective, in 2009 SBA backed lending was at \$36 million and in 2008 at \$49.3 million for the respective first quarters. We congratulate you on your continued usage of the America's Recovery Capital loan program. Iowa is ranked 5th in usage of the ARC loan program, demonstrating the commitment of Iowa lender to assisting their small business customers through this economic recovery.

We encourage you to continue to use the provisions of the American Recovery and Reinvestment Act to assist small businesses in your community.

It has been 18 months since flood water and tornados inundated Iowa and wreaked devastation on our state. The recovery process is ongoing and will continue for a longtime. The recession of this past year compounded the challenges individuals business and communities are facing. The Recovery Act is designed to provide economic recovery and job creation through the funding of a large number of projects across the country.

These recovery programs, disaster and economic recovery, are opportunities for small businesses. The stress of this series of events however, has often placed financial stress on these small businesses and hampers their ability to obtain the necessary working capital and/or bonding for these projects. A firm may have the managerial and physical capacity to successfully bid on, be awarded and execute a contract but because of the financial stresses through this series of events not have the financial capacity, typically in the form of adequate working capital for the project and its required bonding.

We have two programs that if used together may provide a small business the necessary working capital and ability to obtain the required bonds.

SBA's CAPLine program as part of our 7(a) program is designed to help small businesses meet their short-term and cyclical working capital needs. CAPLines can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts; finance the direct cost associated with commercial and residential construction; finance operating capital by obtaining advances against existing inventory and accounts receivable; and consolidate short-term debt.

There are five distinct programs under the CAPLine umbrella: *Contract Loan Program, Seasonal Line of Credit, Builders Line Program, Small Asset-Based, and, Standard Asset-Based*

The Surety Bond Guarantee Program is a public-private partnership between the federal government and the surety industry providing small businesses with the bonding assistance necessary for them to compete for government and private contracting opportunities. The guarantee provides the necessary incentive for sureties to bond small businesses that would otherwise be unable to obtain bonding. The program is aimed at small businesses that lack the combination of working capital and performance track record necessary to secure bonding on a reasonable basis through regular commercial channels.

Through this program, the SBA guarantees bid, payment, performance and necessary ancillary bonds issued by surety companies for individual contracts of up to \$2 million (\$5 million under the American Recovery and Reinvestment Act) on behalf of eligible small construction, service, and supply contractors.

For more information on the Surety Bond Guarantee Program and how to find agents using the program, visit SBA's Web site at www.sba.gov/osg.

- *Joseph M. Folsom, District Director*

SBA Updates its Lender Portal by Adding Loan Level Credit Quality Data

On December 23, 2009, SBA issued Information Notice #5000-1137 regarding our Lender Portal.

In order to increase transparency, the Small Business Administration's Office of Credit Risk Management is adding loan level credit quality data to its Lender Portal.

Starting with the 6-30-09 quarterly update, the Lender Portal will now include for each 7(a) Lender and 504 Certified Development Company, or ("SBA Lenders"), a list of all the lender's outstanding loans.

The loans will be separated into high, medium, and low risk categories. The category a loan is placed in is based on the Small Business Portfolio Solutions (SBPS) credit score a loan receives. Each risk category contains a range of credit scores consistent with that level of risk. This information will assist SBA lenders to proactively monitor, manage, and mitigate the risk in their SBA loan portfolios.

There is a list of frequently asked questions (FAQs) attached to the notice which provides additional information about the Lender Portal,

the new credit quality data available, and SBA's Loan and Lender Monitoring System (L/LMS).

You can access the Notice from our lending website at www.sba.gov/banking. Click on the Notices link on the right side, then FY2010, then 5000-1137.

If you have any questions regarding the Lender Portal, please contact the Des Moines District Office at (515) 284-4422 or the Cedar Rapids Branch Office at (319) 362-6405.

7(a) Loan Program Authorization is Re-released in Microsoft Office Word 2007

SBA has announced the re-release of the 2009.4 edition of the National 7(a) Authorization (which is the Boilerplate and Wizard). The re-released edition of the Authorization

has been programmed so that it will function in Microsoft Office Word 2007 (12). As a result there will be two editions of the Authorization available to all users on the SBA Website.

One version will work for Word 2000, Word 2002 and Word 2003, while the second will work ONLY for Word 2007. Please see the attached notice for more information.

March 31st Midstates Community and Economic Development Conference

A conference program and registration form for the 10th annual Midstates Community and Economic Development Conference, to be held Wednesday, March 31 at the Marina Inn in South Sioux City, NE can now be downloaded at: <http://www.extension.iastate.edu/woodbury/news/Midstates2009.htm>

The focus of the conference is to offer strategies and ideas to advance community and rural development in Iowa, Nebraska and South Dakota. This conference is designed for:

- Community leaders
- Business leaders
- Mayors

- City council members
- County supervisors
- County commissioners
- State legislators
- Development groups
- Chamber of Commerce representatives
- Community volunteers

One of the breakout sessions will be conducted by the Immigrant Entrepreneurs Summit from Des Moines, Iowa. This group of immigrants who became successful business owners began a summit as a venue to pass on their experience and encouragement to other immigrants. The Summit group will be attending

the Midstates Conference for the first time to share what they've learned with attendees.

This year's featured speaker is Mr. Michael Wagner, president of White Rabbit Group, which helps organizations and communities strengthen their unique brand.

The conference will run from 8 a.m. to 4 p.m. Registration, including lunch, is \$35 before Friday, March 19 and \$45 after that date. For more information, please contact ISU Extension-Woodbury County Program Coordinator Adrienne Jansen at (712) 276-2157 or jansena@iastate.edu.

SBA Extends Community Express Pilot Program Through 2010

The SBA recently announced that it is extending its Community Express Pilot Program in its current form through December 31, 2010. Based upon the significant restructuring of this pilot program implemented in October 2008, the Agency seeks to extend the pilot to obtain sufficient experience to better evaluate the pilot's accomplishments. If you are not currently a Community Express Lender, you can get more information on the program at

http://www.sba.gov/financialassistance/prospectivelenders/7a/ep/FA_PL_7ALOAN_COMMEXPRESS.html



SBA Information Notice

TO: All Employees

CONTROL NO.: 5000-1139

SUBJECT: The 2009.4 Edition of the 7(a) Loan
Program Authorization is Re-released
in Microsoft Office Word 2007

EFFECTIVE: 02-03-2010

SBA announces the re-release of the 2009.4 edition of the National 7(a) Authorization (which is the Boilerplate and Wizard). This edition of the Authorization was originally released on July 8, 2009. The re-released 2009.4 edition of the Authorization has been programmed so that it will function in Microsoft Office Word 2007 (12). As a result there will be two editions of the 2009.4 Authorization available to all users on the SBA website.

Since both editions will have the same 2009.4 identifier, SBA added the suffix W3 (for Word 2003) and W7 (for Word 2007) at the website location where the two editions are posted.

Please note that an authorization created with the W3 Wizard will not function properly in W7 (although it may open) and an authorization created with the W7 Wizard will not function properly in W3 (although it may open). As such it is incumbent upon the user to download the correct edition from the web site.

The 2009.4-W7 edition of the Authorization has the same terms, conditions, and processes as the 2009.4-W3 edition. As such the “What’s New” sections of both editions are the same.

The “*About the ‘7a’ Wizard*” section in the Boilerplate in both editions now has a more thorough explanation of compatibility with the different versions of Microsoft Office. The 2009.4-W7 edition will be available at www.sba.gov beginning on the effective date of this Notice.

The authorization webpage is:

<http://www.sba.gov/aboutsba/sbaprograms/elending/authorizations/bank Auth National 7a.html>

Participants with Word 2007 capabilities can begin using the 2009.4-W7 edition as soon as it is posted. Since both editions have the same terms, conditions, and processes, the use of either edition is satisfactory to SBA. The decision to use either edition is based on the user’s capabilities to use either Microsoft Word version 2003 or Microsoft Word version 2007. Care should be taken to download the correct Wizard for your system.

Users who are currently using Word 2003 on their systems should not download the 2009.4-W7 edition.

Future changes to the Wizard and Boilerplate so the terms, conditions, and processes conform to the current SOPs will be made when the 2010 editions are issued.

Notification and Questions

SBA field offices are responsible for notifying the participants that this W7 edition of version 2009.4 of the National 7(a) Authorization Boilerplate and Wizard has been released.

Questions regarding the 7(a) Authorization should be submitted to the 7(a) Authorization e-mail box at Auth-7a@sba.gov.

SBA Lender Activity Report for DECEMBER

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
FIDELITY BANK & TRUST	DUBUQUE	8	\$2,434,400	MUTUAL OF OMAHA BANK	NEBRASKA	1	\$324,000
CEDAR RAPIDS BANK & TRUST CO.	CEDAR RAPIDS	5	\$500,500	FIRST NATIONAL BANK	WAVERLY	1	\$300,000
NORTHWESTERN BANK & TR. CO	DAVENPORT	5	\$453,000	E.C.I.A. BUSINESS GROWTH, INC.	DUBUQUE	1	\$293,000
FIRST AMERICAN BANK	FT. DODGE	4	\$1,415,000	THE GARNAVILLO SAVINGS BANK	GARNAVILLO	1	\$282,700
LIBERTY BANK	WDM	3	\$3,104,500	CLEAR LAKE BANK & TRUST CO.	CLEAR LAKE	1	\$165,000
IOWA BUSINESS GROWTH CO.	JOHNSTON	3	\$2,366,000	FARMERS & TRADERS SVGS. BANK	BANCROFT	1	\$150,000
WELLS FARGO BANK	IOWA	3	\$408,000	SMALL BUSINESS GROWTH CORP.	ILLINOIS	1	\$104,000
UNITED BANK OF IOWA	IDA GROVE	2	\$1,785,000	GATEWAY STATE BANK	CLINTON	1	\$100,000
MIDWESTONE BANK	IOWA CITY	2	\$1,590,000	CITIZENS BANK	MICHIGAN	1	\$75,000
SIOUXLAND ECON. DEV. CORP.	SIOUX CITY	2	\$769,000	BALDWIN STATE BANK	KANSAS	1	\$35,000
WESTBANK	WDM	2	\$540,000	CLARKE COUNTY STATE BANK	OSCEOLA	1	\$35,000
GREAT WESTERN BANK	IOWA	2	\$346,000	FARMERS STATE BANK	MARION	1	\$35,000
NORTHWEST BANK	SPENCER	2	\$117,000	KERNDT BROTHERS SVINGS BANK	LANSING	1	\$35,000
BANK IOIWA	WDM	2	\$70,000	NORTHWESTERN BANK	ORANGE CITY	1	\$35,000
HEARTLAND BANK	SOMERS	2	\$70,000	PEOPLES TRUST & SAVINGS BANK	CLIVE	1	\$35,000
LINCOLN SAVINGS BANK	CEDAR FALLS	2	\$70,000	COMMUNITY SAVINGS BANK	EDGEWOOD	1	\$35,000
HERITAGE BANK	MARION	2	\$60,500	SAVINGS BANK	PRIMGHAR	1	\$35,000
CITIZENS SAVINGS BANK	SPILLVILLE	1	\$2,000,000	SECURITY SAVINGS BANK	LARCHWOOD	1	\$35,000
CITIZENS STATE BANK	MONTICELLO	1	\$1,500,000	THE FIRST NATIONAL BANK	PRIMGHAR	1	\$35,000
FIRST CHATHAM BANK	GEORGIA	1	\$1,472,000	THE GRUNDY NATIONAL BANK	GRUNDY CENTER	1	\$35,000
LEGACY BANK	ALTOONA	1	\$1,300,000	WESTSIDE STATE BANK	WESTSIDE	1	\$35,000
MANUFACTURERS BANK & TR. CO.	FOREST CITY	1	\$1,250,000	IOWA STATE BANK	ALGONA	1	\$31,800
SAUK VALLEY BANK & TRUST CO.	ILLINOIS	1	\$700,000	PRIMEBANK	LE MARS	1	\$25,100
HILLS BANK AND TRUST CO.	HILLS	1	\$542,000	CENTRAL STATE BANK	MUSCATINE	1	\$25,000
FIRST CENTRAL STATE BANK	DE WITT	1	\$410,000	U.S. BANK	IOWA	1	\$15,000
F&M BANK	WASHINGTON	1	\$377,400	SUPERIOR FINANCIAL GROUP, LLC	CALIFORNIA	1	\$7,500
COMMUNITY NATIONAL BANK	WATERLOO	1	\$350,000	GREEN BELT BANK & TRUST	IOWA FALLS	1	\$3,800

The following lenders were participant lenders in the SBA's 504 Loan Program in Iowa during the month of December

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
LINCOLN SAVINGS BANK	WATERLOO	1	\$2,116,000	DE WITT BANK & TRUST	DE WITT	1	\$360,250
FIRST CENTRAL STATE BANK	LE CLAIRE	1	\$1,257,000	PRIMEBANK	SIOUX CENTER	1	\$137,500
SUCCESS BANK	BLOOMFIELD	1	\$810,000	NORTHWEST BANK & TRUST	DAVENPORT	1	\$125,000
FARMERS STATE BANK	MARION	1	\$475,000				

New Contact Information for the Vista Chapter of SCORE in Storm Lake (The Vista Chapter Serves Cherokee, Buena Vista, Pocahontas and Sac Counties)

VISTA Chapter SCORE 0617
Iowa Central Com. College
916 North Russell Street
Storm Lake, IA 50588
Ph 712-732-SCORE (7267)
Website: www.vistascore0617.com